

Pension Committee Agenda



To: Councillor Callton Young OBE (Chair)
Councillor Clive Fraser (Vice-Chair)
Councillors Simon Brew, Nina Degrads, Patricia Hay-Justice, Yvette Hopley,
Endri Llabuti and Alasdair Stewart

Co-opted Members: Ms Gilli Driver, Mr Peter Howard and Charles Quaye

Reserve Members: Louis Carserides, Richard Chatterjee, Stuart Collins,
Simon Fox, Enid Mollyneaux, Srinivasan, Nikhil Sherine Thampi and
Robert Ward

A meeting of the **Pension Committee** which you are hereby summoned to attend, will be held on **Tuesday, 11 October 2022** at **10.00 am** in **Council Chamber, Town Hall, Katharine Street, Croydon CR0 1NX**.

Katherine Kerswell
Chief Executive
London Borough of Croydon
Bernard Weatherill House
8 Mint Walk, Croydon CR0 1EA

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www.croydon.gov.uk/meetings
Monday, 3 October 2022

Members of the public are welcome to attend this meeting, or you can view the webcast both live and after the meeting has completed at <http://webcasting.croydon.gov.uk>

If you would like to record the meeting, we ask that you read the guidance on the recording of public meetings [here](#) before attending.

The meeting will be paperless. The agenda papers for all Council meetings are available on the Council website www.croydon.gov.uk/meetings

If you require any assistance, please contact the person detailed above, on the righthand side.

AGENDA – PART A

1. **Apologies for Absence**

To receive any apologies for absence from any members of the Committee.

2. **Minutes of the Previous Meeting (Pages 7 - 50)**

To approve the minutes of the meetings held on Tuesday, 8 December 2020; Tuesday, 16 March 2021; Tuesday, 25 May 2021; Friday, 3 December 2021 and Tuesday, 14 June 2022 as accurate records.

3. **Disclosure of Interests**

Members and co-opted Members of the Council are reminded that, in accordance with the Council's Code of Conduct and the statutory provisions of the Localism Act, they are required to consider **in advance of each meeting** whether they have a disclosable pecuniary interest (DPI), another registrable interest (ORI) or a non-registrable interest (NRI) in relation to any matter on the agenda. If advice is needed, Members should contact the Monitoring Officer **in good time before the meeting**.

If any Member or co-opted Member of the Council identifies a DPI or ORI which they have not already registered on the Council's register of interests or which requires updating, they should complete the disclosure form which can be obtained from Democratic Services at any time, copies of which will be available at the meeting for return to the Monitoring Officer.

Members and co-opted Members are required to disclose any DPIs and ORIs at the meeting.

- Where the matter relates to a DPI they may not participate in any discussion or vote on the matter and must not stay in the meeting unless granted a dispensation.
- Where the matter relates to an ORI they may not vote on the matter unless granted a dispensation.
- Where a Member or co-opted Member has an NRI which directly relates to their financial interest or wellbeing, or that of a relative or close associate, they must disclose the interest at the meeting, may not take part in any discussion or vote on the matter and must not stay in the meeting unless granted a dispensation. Where a matter affects the NRI of a Member or co-opted Member, section 9 of Appendix B of the Code of Conduct sets out the test which must be applied by the Member to decide whether disclosure is required.

The Chair will invite Members to make their disclosure orally at the commencement of Agenda item 3, to be recorded in the minutes.

4. Urgent Business (if any)

To receive notice of any business not on the agenda which in the opinion of the Chair, by reason of special circumstances, be considered as a matter of urgency.

5. Triennial Valuation

This report sets out a revised structure to the FSS and a few technical or regulatory updates required since the May 2021 review. The main updates for the Committee's attention are in relation to the funding assumptions, climate risk and the 'McCloud' judgement.

6. Governance and Compliance Statement (Pages 51 - 60)

This report updates the Governance Best Practice Compliance Statement for consideration by the Committee.

7. Progress on implementation of Aon Governance Review Action Plan (Pages 61 - 78)

The Pension Board were asked to consider the latest agreed list of recommendations and make comment for presentation to the Pension Committee. This report details those comments and suggested actions for the Committee's consideration.

This report updates the Committee on the progress made in completing recommendation actions to August 2022.

8. Breaches of the Law Policy (Pages 79 - 102)

This report asks the Committee to agree the revised Reporting Breaches of the Law Policy to the Committee and attached appendices.

9. Breaches of the Law Log (Pages 103 - 116)

It is consistent with The Pension Regulator's Code of Practice that the Pension Fund maintains a breaches log detailing incidences where breaches have occurred. In line with the recommendations of the Aon Hewitt Governance Review, on 15 September 2020 the Committee agreed the revised Reporting Breaches of the Law Policy. This included a requirement for the Committee to monitor breaches on a regular basis. This report presents the current log (Appendix A) for the Committee's consideration and comment.

10. Constitution Changes (Pages 117 - 192)

The Pension Committee and Pension Board operate within the parameters defined within the Constitution. The Constitution should be reviewed annually and updated as appropriate. This report asks the Committee to consider the proposed amended sections of the Constitution as they relate to The Pension Committee and Pension Board and recommend them to the Monitoring Officer.

11. Training Plan (Pages 193 - 216)

This report advises the Committee of training undertaken by the Pension Board and Pension Committee members since January 2021 and asks them note the proposed joint Pension Committee and Pension Board training plan for 2022/23.

12. Administration Performance Report (Pages 217 - 232)

This report sets out Key Performance Indicators for the administration of the Local Government Pension Scheme for the three month period up to the end of July 2022.

13. Risk Register Review (Pages 233 - 246)

It is recommended best practice for the Pension Committee to maintain a risk register covering the most significant risks faced by the Fund. This report presents the current register (Appendix A) for the Committee's consideration.

14. Update on LCIV (Pages 247 - 252)

This report advises the Committee of the extent to which the Fund is complying with the pooling requirements of Guidance issued by the, then, Department for Communities & Local Government (DCLG) in 2015, the savings made through pooling in 2021/22 and the governance structure of the London Collective Investment Vehicle (LCIV).

15. Update on SAB and TPR news (Pages 253 - 258)

This report advises the Committee of the matters currently being considered by the Local Government Pension Scheme Advisory Board and The Pensions Regulator which are relevant to the Fund. Any implications for the Fund have been noted and are being addressed in consultation with Fund advisors.

16. Progress report for quarter ending June 2022 (Pages 259 - 266)

This report provides an update on the Fund's performance for the quarter to 30 June 2022. The report falls into four parts. Section 1 addresses performance against strategic goals. The second section considers the asset allocation strategy and how that is being applied,

specifically current and planned investments. The third section deals with risk management and the fourth and final section summarises the recent investment manager site visit.

17. Progress report for quarter ending June 2022 (Pages 267 - 342)

This report provides the commercially sensitive context to the performance of the Pension Fund over the most recent quarter.

18. Exclusion of the Press and Public

The following motion is to be moved and seconded where it is proposed to exclude the press and public from the remainder of a meeting:

“That, under Section 100A(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information falling within those paragraphs indicated in Part 1 of Schedule 12A of the Local Government Act 1972, as amended.”

PART B